

USAID/Mali

Annual Report

FY 2005

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Mali

Performance:

Background: Mali is a large Sahelian country roughly twice the size of Texas, with a per capita income of about \$250 and a population of 11.9 million. It began a transition to democracy in 1992 when Mali's first democratic election was held resulting in the presidency of Alpha Konare. Konare was successful in pushing through key political and economic reforms during his two terms in office. In keeping with Mali's two-term constitutional limit, he stepped down in 2002 and was succeeded by Amadou Toure. Under his leadership, Mali was selected as a Millennium Challenge Account eligible country reflecting the tremendous strides it has made toward ruling justly, promoting economic freedom and investing in its people. Successful municipal elections held in May 2004 boosted Mali's credentials as a stable democracy and underlined its commitment to deepening its far-reaching decentralization processes. For the first time in Malian history, women were significantly represented on the ballot. The government has been able to increase spending on education and health, currently about 30.1% and 10.6% of the national budget respectively, as a result of a reduction in the country's debt burden afforded by the Heavily Indebted Poor Countries initiative. The government has also been pursuing efforts to improve social conditions by providing 1,500 affordable low-income housing units in urban areas and launching a presidential initiative to create employment for young people. The country maintains arguably the most liberal press environment in West Africa and is home to almost 150 private radio stations. The country's ethnic harmony is buttressed by good cooperation between locally elected officials and traditional leaders.

Mali's economy is based on activities linked to agriculture (cotton, livestock, and cereals) and mining (gold). About 10% of the population is nomadic and some 80% of the labor force is engaged in farming and fishing. Less than 4% of Mali's land area is arable; its arid northern half is largely unproductive Saharan desert. The Niger and Senegal river basins in the eastern and western portions of the country, respectively, support a variety of cash and subsistence crops. Large, vibrant, informal trading and commercial sectors characterize the few urban centers. Industrial activity is concentrated on processing farm commodities. Mali is heavily dependent on foreign aid and vulnerable to fluctuations in world prices for cotton, its main export, along with gold. Private investors are increasingly taking note of Mali's potential as reflected in 3% year-on-year increase in foreign direct investment. In 2004, a number of new enterprises began operating in the petrochemical, pharmaceutical, animal feed and cotton ginning sectors; developments which augur well for the eventual diversification of the still narrow economic base. In addition, foreign interest in gold mining remains strong and petroleum exploration efforts are underway.

The current situation in Ivory Coast, Mali's biggest trading partner and major source of remittances, continues to weigh heavily on the economy. The cost of transportation has increased by 20-30%, despite recent improvements in rail and road routes notably via Senegal and Guinea respectively, and diversification of trade through Ghana and Togo. Steadily rising international petroleum prices have also negatively affected landlocked Mali's trade and imposed a significant cost on the domestic economy. The GDP growth rate for 2004 is now expected to be 1.5% compared to an initial projection of 4.7%, and 7.1% realized in 2003. A recent locust infestation and reduced rainfall have contributed significantly to this shortfall. Nonetheless, Mali's commitment to a market-based economy is widely acknowledged: it has removed price controls on most goods except for cotton, electricity, water and telecommunications; lifted tariff and non-tariff trade barriers, simplified the regulatory regime and harmonized business laws with neighbors; privatized state-owned firms and liberalized the financial sector. Nonetheless, the high cost of utilities, weak technical and managerial skills, lack of infrastructure, and corruption hinder progress.

US Interests and Goals: The U.S. State Department (DOS), the European Command - the U.S. military command responsible for West and Central Africa -- and the United Nations have confirmed that Mali is a breeding ground for fundamentalism and possible terrorist networks. Nevertheless, the government

remains a firm ally in the war on terrorism and participates in the Pan Sahel Initiative (PSI) funded by the DOS. Under the PSI, the Department of Defense trains troops in Mali and neighboring countries to patrol their borders and flush out terrorists. Left unchecked, the vast, rugged terrain of the Sahara could become a haven for terrorist recruitment, training and re-supply much in the same manner as Afghanistan was able to provide sanctuary for Al Qaeda. The USG is also cooperating with Mali in efforts to bring an end to the conflicts and unrest that undermine West Africa's development efforts and is appreciative of Mali's willingness to contribute peacekeeping troops to regional trouble spots. The USG recognizes that for Mali to continue to play a positive role in the region, strenuous efforts must be made to achieve broad-based poverty reduction. Hence, USG priorities of Economic Growth and Development, Access to Quality Education, Democracy, and Health, are addressed separately in specific USAID/Mali programs. Besides USAID, other USG agencies tackling this agenda include the Peace Corps, the National Institutes of Health, and the Centers for Disease Control. Generally, US commercial engagement with Mali remains limited. However, Mali benefits from the African Growth and Opportunity Act under which it has begun exporting yarn to Mauritius to be made into clothing for the US market. US business interests are involved in a \$216 million investment in Mali's sugar sector. The country's fledgling textile industry is a potential source of product as well as a market for US equipment.

Donor Relations: Donor coordination is facilitated through a monthly meeting among Mali's leading bilateral and multi-lateral development partners and regular meetings between the donor community and the government. Leadership of the donor coordination group is shared on a semi-annual rotating basis with USAID having been selected to lead the group during the first six months of FY 2004. USAID is also at the forefront (as chief facilitator) of a multilateral technical assistance program initiated by the World Bank to develop an Integrated Framework for expanding Mali's international trade. Mali is a recipient of foreign aid from many sources. France and the United States are Mali's first and second largest bilateral partners respectively. Other significant bilateral programs include Canada, Germany, and Japan. Direct bilateral budgetary support is provided by France, Canada, Netherlands, Sweden, and Switzerland. Other bilateral programs include South Africa (which will emerge in 2005 as the leading source of foreign investment in Mali), Saudi Arabia, Libya, and Algeria. Bilateral assistance is channeled to: infrastructure construction, decentralization, the cotton sector, education, health, the judiciary, microfinance, the Niger River, and energy. The European Union, the African Development Bank and the West African Development Bank are engaged in road construction, rural development and budget support. The United Nations agencies are active in health, education and governance, and the World Food Program works in the areas of education, health, nutrition, and food security. Donor coordination is strongest with respect to the financing of the ten-year education and health sector development plans.

Challenges: According to the 2004 UNDP Human Development Report, Mali ranks as one of the least developed countries in the world, 174 out of 177. Mali's chief development challenges are: 64% of its rapidly growing population living below the poverty line; a high growth rate (2.8% per year); a young, poorly educated population (54% illiterate/61% for the female population); a largely subsistence level of agricultural production with limited infrastructure; an agriculture economy dependent on rainfall; a narrow source of export income, concentrated on cotton, gold and livestock; a still-fragile democracy; and an inadequate health care delivery system (one doctor per 20,000). In addition, the largely agriculture dependent economy received a severe jolt in the form of an invasion of desert locusts this year that wreaked havoc throughout the Sahel. According to a FAO/WFP assessment, the insects could destroy as much as 10% of the annual cereal output and significantly damage pastures. Also, growth in Mali is negatively impacted by an unstable situation in the Ivory Coast, high oil prices, and lower than expected gold production. A key factor negatively impacting USAID's development programs is the continued slide in the value of the US dollar against the regional currency. A weakening dollar effectively diminishes the level of effort that can be delivered within the budgetary envelope.

Key Achievements: USAID/Mali continues to pursue USAID/State goals of Democracy and Human Rights, Economic Prosperity and Security, Social and Environmental Issues, Humanitarian Response, as well as Management and Organizational Excellence. Specific achievements are detailed below. In an effort to amplify the impact of its program, USAID/Mali has ensured that HIV/AIDS, gender and equity concerns are factored into all USAID activities with women and the poor majority especially targeted. Decentralization is a driving force that impacts all sectors, as it is the devolution of responsibility to the

communal level. Management of many aspects of health, education and economic activities are being passed to the local level and USAID supports activities that create and/or strengthen the capacity of local government, civil society and the private sector.

Education

USAID began its school-based teacher training program implemented in conjunction with the Ministry of Education this past year. It exceeded its target by 15%, engaging 405 schools (serving 2,114 teachers and 139,080 students) in school clusters comprised of public schools, Islamic schools and community schools. In preparation for the application of a new primary school curriculum and the new school-based teacher training program, 773 teachers and 180 administrators were trained in curriculum development, teaching the new curriculum, HIV/AIDS, and development of school-based teacher training, including hands-on training in science and life skills and training in new methods to meet diverse learning needs. USAID has distributed over 30,000 books in national languages, including Arabic, to public schools, community schools and Islamic schools during the fiscal year. Of the 405 public schools, Islamic schools and medersas targeted for USAID assistance, 205 of them (51%) held planning meetings to improve school quality during the fiscal year. As part of the community participation program, USAID has opened 50 adult literacy centers in FY 2004 and has trained facilitators who will start literacy classes in January 2005.

High Impact Health Services

USAID/Mali continued the promotion of insecticide treated bednet (ITN) use through the private sector as well as the distribution of ITNs to vulnerable populations through the public sector. This campaign resulted in retail sales of 38,313 bednets and the distribution of another 24,950 to vulnerable populations. In addition during the peak October to December malaria period it is expected that a further 49,050 nets will be distributed to vulnerable populations and more than 20,000 sold to the general public resulting in a total of more than 132,000 nets made available during 2004. USAID also supported two vitamin A distribution campaigns in FY 2004, achieving 95.9% coverage in the July campaign. USAID conducted training of 143 master trainers in clinical family planning and interpersonal counseling and began the identification and training of 4,500 community-based agents who will provide family planning products and counseling as well child survival information and referral. In collaboration with the Ministry of Health USAID developed a multi-media family planning campaign that will be carried out in FY 2005. USAID provided technical assistance during the development of the fourth round AIDS proposal to the Global Fund resulting in an approved proposal for \$54 million. USAID trained 585 providers in revised syndromic management of sexually transmitted infection and supported local HIV/AIDS information, education and communication activities that reached over 167,000 people and 5,000 religious and political leaders with prevention messages.

Economic Growth

USAID made progress on several fronts in 2004 and made a significant contribution towards mitigating the threat to the agricultural economy posed by locusts. USAID assistance was instrumental in helping mango exports to increase from 1,151 metric tons to more than 2,000 metric tons. Some 13 exporters were assisted by the program exporting 2,368 metric tons (1,563 metric tons shipped by sea, 805 metric tons shipped by air). In the North of the country, installation of nine irrigation pumps in the regions of Mopti (two), Timbuktu (four) and Gao (three) made it possible to bring an additional 330 hectares under fully controlled irrigation. This will result in increasing the current production of these perimeters by approximately 50%, representing additional value of production in the region of FCFA 77,400,000 (154,800 dollars) for approximately 1,500 farmers. The additional yields and revenues from some of these improved perimeters will be even more significant through the introduction of improved higher yielding rice varieties. USAID completed the building of a secondary irrigation canal in the Office du Niger, a project begun under its previous strategy that increases the irrigable land area by 960 hectares and is expected to play a significant role in the livelihood of small holders in 13 villages (population over 18,000 people) and a number of private investors. Because of business services training, 102 targeted agro-entrepreneurs (54 of whom were women) developed financial business plans and training in the assessment of agricultural credit risk was provided to small-scale microfinance institutions (MFIs) and large national MFI networks, and commercial banking institutions. Finally, USAID played a lead role during the locust infestation in facilitation, eradication, and control. USAID, through the bilateral mission

and the Office of Foreign Disaster Assistance, played a pivotal role in moving the needed response forward. These efforts were vitally important in limiting the damage caused by the insects and attenuating the risk of widespread food insecurity due to the loss of crops and pastureland.

Democratic Governance

The main objectives of the Democratic Governance program are to build the capacity of 250 local governments and promote women's participation in local political life in targeted rural communities. Participatory self-diagnostic sessions were conducted in the 73 municipalities targeted this year to identify major governance issues. More than 4,000 key local actors attended the planning sessions including mayors and other elected councilors, village chiefs and traditional authorities, central government field agents, representatives of various civil society organizations, local nongovernmental organization field agents, and members of the local population. As a result of USAID programs, there has been a 274% increase in the number of women candidates from the 1999 to the 2004 local government elections (from 85 to 318 women candidates), and 86% increase in the number of elected women councilors from the 1999 to the 2004 local elections (from 22 to 41 women councilors) in the targeted 16 communities, which is 2.5 times the national average. In addition, USAID and other donors contributed to increase the number of elected women councilors nationwide from 419 in 1999 to 704 in 2004, and the number of women mayors from five in 1999 to seven in 2004. Finally, USAID distributed 500 wind-up radios to 400 women's listening groups, providing up to 20,000 women with access to information. This contributed to women's increased political participation and continues to be an important vehicle for getting information to women on a variety of subjects.

Access to Information

Twelve Community Learning and Information Centers (CLICs) have been built and are offering communication services and information to their communities. CLICs will eventually offer access to the Internet, email, CD-ROMs, video programming and general computer use to Malians in 13 communities. Eleven schools have been equipped with 200 computers, providing 11,321 students and 392 teachers with new tools for accessing information. A computer training center was also established providing a total of 215 computers for use by students and teachers, including training of 71 people. A radio soap opera in local languages was developed to prevent trafficking of persons and address HIV/AIDS issues. Other results include the connection of radio stations to the Internet and the development of radio programs on numerous development issues including peace issues.

Global Development Alliance (GDA): The GDA approach has been used to develop a partnership with Mali's national Agricultural Research Institute and a private US company that is on the brink of securing \$216 million of investment financing for the construction of a sugar processing plant and the creation of up to 6,000 new jobs. A new GDA will bring resources and know-how into the education sector in some of the country's most remote areas and another GDA formed in partnership with the Carter Center will work with the government and civil society to strengthen the identification of priority poverty reduction policies and resource needs by the country. Others include: a partnership with the West Africa Water Initiative, the government of Mali, and Moving Water Industries (a private US company) where 10,500 rural farmers will have access to potable water and undertake income generating activities; and alliances formed with Geekcorps, Helen Keller International, and SchoolNet to implement the main objectives of USAID's communications for development program.

Gender: The Mali Mission continues to be at the forefront of addressing gender issues in its development programs. In early FY 2004, with the start up of all its activities under a new strategy, the Mission made clear to its partners that baseline studies and situational analyses must uncover whether there were gender specific challenges that needed to be addressed. Under the dynamic leadership of the Mission's gender specialist, a core team worked with all contractors and grantees to assure that their strategies and annual plans addressed the challenges identified. This process of working with contractors and grantees led to the following activities: support to Malian women entrepreneurs including the creation and dissemination of a database and conferences on Islam's view of business women; study on women's access to development related information through radio, cyber center established within the Ministry of Women's Promotion; training for women during the run-up to the recent elections; targeting of males/religious leaders in family planning activities; women's leadership training; and integration of the

gender dimension into curriculum and teacher training programs. The USAID Mission's efforts were recognized through an official award to the Director during the 31 July celebration of International Women's Day in recognition of her commitment and support to combating maternal and infant mortality in Mali.

Results Framework

688-001 Improved social and economic behaviors among youth (0-24 years)

SO Level Indicator(s):

- 6th grade attainment rate
- 6th grade pass rate
- Assisted delivery by trained provider
- Condom use, men, last sexual intercourse
- Contraceptive prevalence rate
- Couple years of protection
- DPT3 coverage, children less than 1 year old
- Gross Access rate
- Gross enrollment rate
- Immunization coverage, children less than 1 year old
- Mother knowledge of diarrheal disease treatment
- STI care seeking
- STI prevalence rates: 1)men; 2) women
- TT coverage, pregnant women

IR 1.1 Improved child survival services (0-4 years)

IR 1.2 Improved basic education (5-15 years)

IR 1.3 Improved reproductive health services (10-24 years)

688-002 Increased value-added of specific economic sectors to national income

SO Level Indicator(s):

- Absolute amount of savings generated by malian microfinance institutions
- Absolute value-added of cereal, livestock, alternative commodities subsectors at the national level
- Growth rate of cereals, livestock, alternative commodities subsectors at the national level
- Proportion of the subsectors as a share of GDP

IR 2.1 Increased production in cereals, livestock, and alternative commodities subsectors in targeted areas

IR 2.2 Increased processing of cereals, livestock and alternative commodities in targeted areas

IR 2.3 Increased trade in cereals, livestock, and alternative commodities subsectors in targeted areas

IR 2.4 Increased savings mobilized and credit provided by USAID supported MFIs in targeted areas

IR 2.5 Increased sustainable agricultural and natural resource management practices

688-003 Community organizations in target communes are effective partners in democratic governance

SO Level Indicator(s):

- Percentage of regional/national government decisions target intermediary NGOs and federations and COs affected
- Percentage of target communes in which non-targeted community organizations adopt civic action practices
- Percentage of target COs expanding their development services and activities
- Percentage of target COs which have formed good partnerships with local Government in delivering services
- Percentage of target new community organizations which have affected two or more development decisions

IR 3.1 Target community organizations are engaged in democratic self-governance and civic action at the local level and beyond

IR 3.1.1 Target intermediary NGOs and federations support community organizations' democratic self-governance and civic action

IR 3.1.2 Target intermediary NGOs and federations effectively aggregate and represent COs interest at the local level and beyond

IR 3.2 Effective decentralization occurs by the end of 1999

688-004 Improved access to and facilitated use of information

SO Level Indicator(s):

Percent of population covered by community radios

Right access to public information

SO teams gain new tools for disseminating and obtaining information to better accomplish their objectives

IR 4.1 Increased Internet access

IR 4.2 Increased community radio communications

688-005 Development in the North

SO Level Indicator(s):

Average per capita income

Gross enrollment rate

Immunization coverage rate of children under 1 year of age

Number of new cases of armed rebellion reported

Participation rate in national and local elections

IR 5.1 Effective partnership between civil society and local authorities and development partners in targeted areas

IR 5.2 Expanded economic activities in targeted areas

IR 5.3 Increased access to basic social services in targeted areas

688-006 High Impact Health Services

SO Level Indicator(s):

Condom use in high risk populations.

Contraceptive prevalence rate (national, target zones).

DPT3 coverage (national, target zones).

IPT coverage for pregnant women (target zones).

Iron folate supplementation (target areas)

Multiple sex partners (high risk).

ORT use (target zones).

Vitamin A supplementation (national).

Vulnerable population using insecticide-treated bednets (target zones).

IR 6.1 Policy environment for high impact services and improved practices established

IR 6.2 Demand for high impact services and improved practices increased

IR 6.3 Access to high impact services and improved practices increased

IR 6.4 Quality of high impact services and practices improved

688-007 Improved Quality of Basic Education

SO Level Indicator(s):

Pass rate on the criterion-referenced achievement tests (starting year 5 of the strategy)

Percentage of effective schools

Percentage of quality schools

Promotion rate

Survival rate

IR 7.1 Better performing teachers in grades 1-6

IR 7.2 Improved curricula and achievement testing system in place for grades 1-6

IR 7.3 Better supported and managed primary schools

IR 7.4 Improved AE capacity to plan, manage, implement and assess the quality improvement agenda

688-008 Shared Governance Through Decentralization

SO Level Indicator(s):

Percentage of citizens participating in communal elections

Percentage of communes where partnerships increase delivery of public services.

Percentage of communes where two women are elected on the communal council.

IR 8.1 Participation of key communal level actors in democratic governance increased in targeted

communes

IR 8.2 Macro-Political enabling environment strengthened

IR 8.3 Women's participation in decision-making at the commune level increased in targeted communes

688-009 Accelerated Economic Growth

SO Level Indicator(s):

Annual percentage change in farm net income from rice production in targeted areas.

IR 9.1 Sustainable production of selected agricultural products in targeted areas increased

IR 9.2 Trade of selected agricultural products increased

IR 9.3 Access to finance increased

688-010 Communications for Development

SO Level Indicator(s):

Percentage of consumers reached by development information related to SO activities

Percentage of information consumers (CLIC users and radio listeners) that get the message

Percentage of Malians having access to at least one local radio station (context indicator)

Ratio of Malians/access to a local radio station in targeted areas

IR 10.1 Greater availability of development information

IR 10.2 Improved quality of development information

IR 10.3 Regulatory and policy environment responsive to public interest